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RAILROAD SPUR TRACK AGREEMENT AND LICENSE

THIS RAILROAD SPUR TRACK AGREEMENT AND LICENSE (the "License"), dated for reference purposes only July ____, 2001 is by and between McCALL PROPERTIES LLC, a Washington limited liability company ("Licensor") and QUADRA CHEMICALS, INC., a Delaware corporation ("Licensee").

RECITALS

A. Pursuant to an Industrial Real Estate Lease dated June 15, 2001 (the "Lease"), between GWC Properties, Inc., as Landlord, and Licensee, as Tenant, Licensee leases certain Premises located at 5540, 5700 and 5724 NW Front Avenue, Portland, Oregon, and more particularly described in the Lease (the "Premises").

B. Pursuant to the terms of a License Agreement dated May 15, 2001 between Chevron Products Company ("Chevron") and Licensor (the "Chevron License Agreement"), Licensor has the right to use the railroad spur track designated in Exhibits A and B attached hereto (the "Spur Track").

C. Licensor is willing to grant Licensee the right and license to use the Spur Track for movement of rail cars to and from the Premises pursuant to the terms and conditions set forth below.

NOW, THEREFORE, for valuable consideration, the parties agree as follows:

1. **License.** Subject to all the terms, covenants and conditions of the Lease and the Chevron License Agreement, Licensor grants to Licensee the right and license to use the Spur Track for, but only for (i) movement of rail cars to and from the Premises, and (ii) the parking and unloading of no more than two (2) rail cars.

2. **Term.** The term of this License shall be concurrent with the term of the Lease, subject to the right of termination provided herein.

3. **Use Fee.** Licensee shall pay Licensor \$1500 per quarter for the use of the Spur Track, and one space for parking and unloading. Licensee may park a second rail car upon five days' notice of each such use for the additional fee of \$50 per day of use. Upon 30 days' notice, Quadra may use the second space for \$1,500 per quarter. Such fees shall be paid by Licensee within ten days of receipt of an invoice from Licensor.

4. **Repairs and Maintenance.** Licensor and Licensee shall each have the right, but not the duty, to repair and maintain and shall share equally the costs and expenses of maintenance and repair of the tracks, switches and related facilities located on the Spur Track. Except as provided herein or otherwise expressly agreed in writing by Licensor, Licensee shall have no right to construct any improvements upon the Spur Track.

Licensee: Quadra Chemicals, Inc.
13801 Reese Blvd., West
Suite 190
Huntersville, North Carolina 28708

With a copy to: Davis Wright Tremaine, LLP
Attention: James C. Waggoner
Suite 2300
1300 SW Fifth Avenue
Portland, OR 97201

Either party may, by written notice to the other, change its address for purposes of this Agreement.

10. **Attorney Fees.** In the event of any litigation to enforce or declare any of the provisions of this Agreement, the prevailing party shall recover and the losing party shall pay the reasonable attorney fees incurred by the prevailing party at the trial or arbitration and upon any appeals therefrom, as determined by the respective courts or arbitrators.

11. **Successor Interest.** Licensee may not assign any of its rights hereunder without the prior written consent of Licensor, which consent shall not be unreasonably withheld, but may be conditioned upon reasonable terms determined by Licensor. All terms and provisions of this License shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

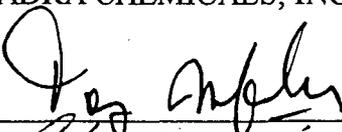
12. **Governing Law.** This Agreement shall be construed and interpreted according to the laws of the state of Oregon.

IN WITNESS WHEREOF, the parties have executed this License as of the day and year first set forth above.

LICENSOR: McCALL PROPERTIES LLC

By: _____
Its: _____

LICENSEE: QUADRA CHEMICALS, INC.

By: 
Its: CHAIRMAN & CEO